

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF THE)
VALLEY TREATMENT PLANT, INC.) CASE NO. 8853

O R D E R

IT IS ORDERED that Valley Treatment Plant, Inc., ("Valley Treatment") shall file an original and eight copies of the following information with the Commission by July 15, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Provide a detailed breakdown of maintenance of treatment and disposal plant, Account 714, for calendar year 1982 as shown in attached Format No. 1. Items under \$100 may be grouped within a common classification. The total for the breakdown should reconcile with the total listed in the 1982 annual report.

2. Provide a detailed breakdown of the expenses associated with this rate case as shown in attached Format No. 2. Include the hourly rate to be charged to Valley Treatment for any professional services rendered. Also, provide the period over which Valley Treatment proposes to amortize these expenses.

3. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format No. 3. At minimum the analysis should show the payee, dollar amount, reference (i.e., voucher number, etc.), account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

4. In reference to page 12 of the application, provide the basis for the proposed 15 percent return on net investment.

5. Provide a copy of the electric bills for each month of the test year.

6. Provide a copy of the remittance advices from Louisville Water Company for each month of the test year.

7. Provide a detailed explanation of the accounts receivable adjustment of \$530.

8. Provide the work papers supporting the calculation of the proposed tax adjustment.

9. Provide a copy of the contract for routine maintenance of the sewage treatment facilities. If a written contract does not exist provide a narrative of the duties and responsibilities and the terms of employment.

10. Provide the following information in relation to the outstanding debt as listed on Schedule C of the application.

(a) A complete explanation of the relationship between Valley Treatment and each related party;

(b) Date of note and date of maturity;

(c) Use of the funds by Valley Treatment; and

(d) Documentation of each note or loan.

11. A copy of the articles of incorporation.

12. The journal entries that were made when Valley Treatment purchased Elvessa Development Corporation.

13. A copy of the sales agreement between Valley Treatment and Elvessa Development Corporation.

14. Explain the basis for recording on your balance sheet plant in service at the amount invested as shown in your depreciation schedule and not the original cost of the utility plant acquired in accordance with the Uniform System of Accounts.

15. Explain the basis for reducing the construction costs by the corresponding notes payable of \$560,025 in determining the depreciation expense as shown on your depreciation schedule.

16. A list of the stockholders of Valley Treatment.

Done at Frankfort, Kentucky, this 30th day of June, 1983.

ATTEST:

PUBLIC SERVICE COMMISSION

Secretary



By the Commission

Valley Treatment Plant, Inc.

Case No. 8853

Maintenance of Treatment and Disposal Plant

Calendar Year 1982

<u>Date</u>	<u>Description</u>	<u>Reference (Ch. No., Invoice, etc.)</u>	<u>Amount</u>
		<u>Materials Labor Other Total</u>	

Valley Treatment Plant, Inc.

Case No. 8853

Rate Case Expenses

- Engineering
- Accounting
- Legal
- Printing & Copying
- Postage
- Other

<u>Description</u>	<u>Services(\$)</u>	<u>Materials(\$)</u>	<u>No. of Hours</u>	<u>Hourly Rate</u>	<u>Total Amount</u>
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Valley Treatment Plant, Inc.

Case No. 8853

Outside Service Expenses

For the Twelve Months Ended December 31, 1982

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				